

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



April 12, 1990

ALL COUNTY INFORMATION NOTICE NO. I-26-90

TO: ALL COUNTY WELFARE DIRECTORS  
ALL PUBLIC AND PRIVATE ADOPTION AGENCIES  
ALL SDSS ADOPTION DISTRICT OFFICES  
ALL COUNTY PROBATION DEPARTMENTS

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN-FOSTER CARE  
AND FEDERAL OR STATE TAX LEVIES

Over the past year, we have had a number of Counties inquire whether Aid to Families with Dependent Children-Foster Care (AFDC-FC) maintenance payments were subject to Federal or State tax levies. While State law has prohibited such practice, Federal law did not. However, recent changes to the Federal law now also prohibit such practice. For your convenience, we have cited the appropriate statutes:

**State Tax Levies**

Welfare and Institutions Code Section 11002 provides that "All aid given under a public assistance program shall be absolutely inalienable for any assignment, sale, or otherwise."

**Federal Tax Levies**


Title 26 of the United States Code, Section 6321, authorizes the Internal Revenue Service to levy tax liens for the collection of taxes due to the United States. Title 26 USCA 6334(a) enumerates property which is exempt from levy. Pursuant to Public Law 100-647, Title VI, Section 6236(c)(4)(A), (h)(1), exemption from levy was extended to additional types of property. Among the types of property are certain public assistance payments. Under Title 26 USCA 6334(a)(11) as amended by Public Law 100-647, levies issued on or after July 1, 1989 must now exempt:

Any amount payable to an individual as a recipient of public assistance under:

- (a) Title IV (relating to Aid to Families with Dependent Children) or Title XVI (relating to supplemental security income for the aged, blind, and disabled) of the Social Security Act, or
- (b) State or local government public assistance or public welfare programs for which eligibility is determined by a needs or income test.

(NOTE: AFDC-FC maintenance payments fall under the definition of "any amount payable to an individual as a recipient of public assistance." Therefore, foster care maintenance payments are exempt from Federal tax levies.)

Should you desire additional information, please telephone your Foster Care Program Consultant at (916) 445-0813.

  
for ROBERT A. HOREL  
Deputy Director  
Welfare Program Division

cc: CWDA